

## Financing Opportunities for U.S. Firms Competing for Sonatrach Oil, Gas, and Energy Tenders in Algeria

### BUYER

**Sonatrach**, Algeria's state-owned petroleum company, plans to implement a series of large-scale projects to rehabilitate oil and gas fields and expand pipelines as part of its capital expenditure for the next five years. Total estimated cost for these projects is **\$24.5 billion** for 2005 – 2009. This amount includes an estimated \$19 plus billion in upstream projects, \$3 billion in transport and pipelines, \$1.6 billion in downstream projects, and \$0.6 billion in logistics and renovations to Sonatrach's headquarters.

### OPPORTUNITIES FOR U.S. COMPANIES

U.S. firms supply **80 percent** of the equipment used today in Sonatrach's upstream development program –putting U.S. firms in an excellent position to meet new demand. Sonatrach is looking at five areas of improvement:

- Downstream activities
- Petrochemicals
- Maintenance
- Electronics
- Exploration



### EXPORT-IMPORT BANK FINANCING OPPORTUNITIES FOR U.S. COMPANIES

U.S. government-supported financing is available for U.S. firms. To assist U.S. suppliers, the Export-Import Bank of the United States (Ex-Im Bank) approved a preliminary commitment for a **\$1 billion** line of credit extended to Sonatrach, to enable them to obtain long-term financing to support the purchase of U.S. equipment and services. To date, Ex-Im Bank has authorized one transaction under this preliminary commitment, amounting to **\$39.3 million**. The credit supports exports from General Electric and Solar Turbines to be used in the renovation and upgrade of gas turbine compression stations along four pipelines owned by Sonatrach. When submitting a tender proposal to Sonatrach, U.S. firms are urged to state their eligibility for use of the Ex-Im Bank \$1 billion preliminary commitment.



### SONATRACH'S TENDER PROCESS

At present, all tenders are open for bidding by U.S. companies (unless a firm has participated in a USTDA sponsored feasibility study). Sonatrach regularly issues hundreds of new tenders. To learn about tender opportunities, information is available through a privately operated, subscription-based "BAOSEM" (Tender Bulletin of the Energy and Mines Sector) website, [www.baosem.com](http://www.baosem.com), or the equivalent biweekly print publication.

The tender information is largely in French and Arabic. The U.S. Department of Commerce will be able to assist you in accessing this tender information.

### CONTACT INFORMATION

U.S. firms are advised to seek expert advice on doing business in Algeria in order to take advantage of the considerable commercial and financial opportunities available. Interested U.S. firms are encouraged to contact their nearest **U.S. Export Assistance Center (USEAC)**, a division of the U.S. Department of Commerce, for further information and guidance regarding the tender information and doing business in Algeria, or [Tony.VonDerMuhl@mail.doc.gov](mailto:Tony.VonDerMuhl@mail.doc.gov). A listing of USEAC locations may be found at [www.export.gov](http://www.export.gov). (Click on "Export Assistance Centers" on the left side of the page.) U.S. firms interested in further information on **Ex-Im Bank financing** should contact an Ex-Im Bank regional office or Charles Barnett in International Business Development at 202-565-3928, fax: 202-565-3961, or [Charles.Barnett@exim.gov](mailto:Charles.Barnett@exim.gov). Please visit the Ex-Im Bank website for a listing of Ex-Im Bank offices: [www.exim.gov](http://www.exim.gov).